

MASCENIC REGIONAL SCHOOL DISTRICT SAU 87

**REQUEST FOR PROPOSALS
FINANCIAL AUDITS**

The Mascenic Regional School District, SAU 87, New Hampshire is seeking proposals and statements of qualification from certified public accounting firms for the performance of the annual financial audit. Copies of the request for proposals may be obtained from SAU 87, 16 School Street, Greenville, NH 03048 or online at www.mascenic.org. Responses must be received in the SAU Office no later than January 10, 2019 at 2:00 P.M. EST. The Mascenic Regional School District SAU 87 reserves the right to accept or reject any or all proposals submitted in response to this request.

MASCENIC REGIONAL SCHOOL DISTRICT SAU 87

REQUEST FOR PROPOSAL FINANCIAL AUDITS

INTRODUCTION

The Mascenic Regional School District SAU 87 invites qualified independent certified public accounting firms to submit proposals for the performance of audits of their general purpose financial statements and related disclosures for the purpose of expressing audit opinions relative to the fairness of the presentations in accordance with accounting principles generally accepted in the United States of America. The auditor(s) shall state that the primary purpose of the audit is to express an opinion on the general purpose financial statements taken as a whole and that the audit is subject to the inherent risk that errors or irregularities may occur and not be detected.

There is no expressed or implied obligation for the Mascenic Regional School District SAU 87 to reimburse firms for any expenses incurred in preparing proposals in response to this request.

To be considered, two copies of a proposal must be received by January 10, 2019, no later than 2:00 P.M. EST at Mascenic Regional School District SAU 87, 16 School Street, Greenville, NH 03048. The sealed proposals must be plainly marked "RFP – AUDIT PROPOSAL." The Mascenic Regional School District SAU 87 reserves the right to reject any or all proposals submitted and to cure any minor defects found therein. Submission of a proposal indicates acceptance by the firm of the conditions in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between Mascenic Regional School District SAU 87 and the selected firm.

It is anticipated that the selection of a firm will be completed by January 31, 2019. Following the notification of the selected firm, it is expected that engagement letters will be executed within 30 days of approval.

TERMS OF ENGAGEMENT

A three (3) year contract with two (2) one-year extension options, subject to the annual review and recommendation of the Business Administrator, the satisfactory negotiation of terms, the concurrence of the Mascenic Regional School District SAU 87 and the annual availability of an appropriation.

The proposals are to cover the following five (5) fiscal years:

- (a) July 1, 2018 through June 30, 2019
- (b) July 1, 2019 through June 30, 2020
- (c) July 1, 2020 through June 30, 2021
- (d) July 1, 2021 through June 30, 2022
- (e) July 1, 2022 through June 30, 2023

QUALIFYING REQUIREMENTS

Audit firms submitting proposals must be qualified to perform independent audits of municipalities of the State of New Hampshire. The audit firm must have an office located within the State of New Hampshire, and resident staff must be able to offer the full range of auditing services required by this request for proposals.

Supervisory members of the audit team, including the “in-charge” field auditor, should be Certified Public Accountants and have a minimum of two (2) years of municipal audit experience in the State of New Hampshire. The Mascenic Regional School District SAU 87 intends to strongly consider municipal audit experience and certification in evaluating the proposer’s audit team.

The audit firm must communicate in the proposal their knowledge and competency in applying Generally Accepted Government Auditing Standards (GAGAS), Generally Accepted Accounting Principals (GAAP), and American Institute of Certified Public Accountants (AICPA) standards.

A. GENERAL INFORMATION

The Mascenic Regional School District SAU 87, consisting of the towns of Greenville and New Ipswich, is located in Hillsborough County in the south western part of the state, 10 minutes west of Milford, NH. SAU 87 is comprised of approximately 11 employees housed in the Mascenic Education Center, a building owned by the Mascenic Regional School District and located at 16 School Street, Greenville, NH 03048. As a single-district SAU, it is included within the Mascenic Regional School District budget and financial reporting. Separate statements are not required.

The Mascenic Regional School District SAU 87 is comprised of 1,026 students in grades PS-12, one (1) elementary school, one (1) middle school, one (1) high school. Total appropriations for the current year (FY2019) are approximately \$19.3 million. The most recent audit of the District was conducted in December 2018 for the period July 1, 2017 through June 30, 2018.

The accounts of the District are organized on the basis of funds, each of which is considered a separate fiscal and accounting entity with a self-balancing set of accounts.

The following types of funds are used by the District/ SAU:

- (1) General Funds: to account for all financial resources except those required to be accounted for in another fund.
- (2) Special Revenue Funds: to account for the proceeds of specific revenue sources other than expendable trust funds.
- (3) Trust and Agency Funds: to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.
- (4) Enterprise Funds: to account for activities being operated like a business such as Food Service.

The Mascenic Regional School District SAU 87 maintains general ledgers for the General Funds Special Revenue Funds, Trust and Agency, and Enterprise Funds.

The Mascenic Regional School District SAU 87 maintains its financial records using Infinite Visions software. Payroll, human resources, purchasing & payables, and general ledgers are maintained as part of a comprehensive budgetary accounting system, along with food service and federal\state\local grants. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting.

B. AUDIT STANDARDS

The audit firm shall conduct the audit of the accounts and records of Mascenic Regional School District SAU 87, in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, *the standards for financial audits set forth in the U.S. Comptroller General's Government Auditing Standards*, *the provisions of the Single Audit Act of 1984 (with amendment in 1996)*, *the provisions of U.S. Office of Management and Budget (OMB) Circular A-133*, and *Audits of State and Local Governments*.

C. AUDIT SCOPE

The Audit firm shall be engaged to conduct an audit of the general purpose financial statements, accounts, records, and procedures of all departments and funds of the Mascenic Regional School District SAU 87. A Single Audit conducted in accordance with the Single Audit Act of 1984 (with amendment in 1996) and OMB Circular A-133 is required for federally assisted programs.

Indicate in your proposal if you agree to meet or exceed the following audit specifications. Explain exceptions you may have regarding any specification.

- (1) The firm shall perform a financial audit of all funds reported in the Mascenic Regional School District SAU 87 financial statements included in the latest Annual Report.

The audit shall be conducted to satisfy the requirements of the State of New Hampshire Department of Revenue Administration, State of New Hampshire Department of Education, and applicable state and federal laws and regulations.

- (2) In connection with the examination of the records and financial statements, the firm shall review the systems of internal controls, operating procedures and compliance with budgetary and legal requirements of the Mascenic Regional School District SAU 87.

The reviews of internal controls must include reviews of the related processing controls with respect to data processing operations.

The reviews should also include, but not be limited to, the areas of physical security, systems and program documentation, input/output controls and control over use and retention of electronic files.

- (3) The firm shall perform a financial audit in accordance with the Single Audit Act of 1984 (with amendment in 1996) and OMB Circular A-133 for all federally assisted programs.

- (4) The Mascenic Regional School District SAU 87 views their engagement of an audit firm as an ongoing professional relationship in which the firm is expected to provide occasional advisory services, as needed, during the course of each year. As such, the firm is expected to

consult as required on auditing, accounting, financial reporting and operating questions, which may arise during the course of the year. In addition, the firm is expected to provide the District with information on current developments, which would affect the District's financial operations, for example new AICPA or new GASB promulgations.

- (5) The firm shall agree to make available its working papers upon request, to meet any District financial need as well as in accordance with any federal or state grant provision. Working papers will be kept for at least three (3) years from submission of the final audit report.
- (6) The firm shall agree to attend conferences to review the audit program with School District officials, as well as the local governments' roles and assistance in the audit process.
- (7) The partner or manager in charge of the audit shall be available to attend public meetings at which the audit report may be discussed. The partner or manager in charge of the audit shall also be available to discuss the audit report or other reports required by this proposal with the District's financial staff as required.

D. AUDIT AND REPORT SCHEDULES

Indicate in your proposal if you agree to meet the following audit and report schedules. Explain exceptions you may have regarding any of the requirements.

- (1) The firm shall conduct the audits covering operations of the Mascenic Regional School District SAU 87 and of federally assisted programs during the following periods:
 - (a) July 1, 2018 through June 30, 2019
 - (b) July 1, 2019 through June 30, 2020
 - (c) July 1, 2020 through June 30, 2021
 - (d) July 1, 2021 through June 30, 2022
 - (e) July 1, 2022 through June 30, 2023

The firm shall submit Independent Auditor's Reports containing expressions of opinion that the general purpose financial statements are fairly stated, or, if a qualified or adverse opinion or disclaimer of opinion is necessary, the reasons therefore. The firm shall submit five (5) final bound copies and one (1) electronic copy of its report no later than December 31st of each year.

- (2) The firm shall submit a written report on the internal control structure, which shall identify reportable conditions and/or material weaknesses, assess their effects and propose initial steps to mitigate them. The firm shall submit the same number of bound copies of the final draft of the report on the internal control structure and memorandum of comments and recommendations, which identifies observed operational conditions and/or practices no later than December 31st of each year.
- (3) The firm shall file a copy of the auditor's reports with the State Department of Revenue Administration and State of New Hampshire Department of Education within thirty (30) days after completion of the audits.
- (4) The School District/ SAU reserves the right to request additional auditing services to be

performed in conjunction with the annual financial audit. If such services are requested by the District and agreed to by the firm, the firm shall provide a written quotation on the additional cost of said services, if any. During the course of performing such additional service, the firm agrees that it will notify the District/ SAU, in writing, if unanticipated work arises which would cause an increase in service fees. If additional costs are incurred by the firm and the District has not agreed to such additional costs, the District shall have no obligation to pay the additional costs.

- (5) The firm shall also be responsible for answering inquiries from School Board members, the Superintendent of Schools, the Business Administrator and/or Business Office throughout the year for each of the years covered by the contract. The Firm shall meet and/or confer no less than once per year (outside the audit) with representatives of the Business Office to review and discuss changes in laws, rules, regulations and suggested practices that would affect the operation of the Business Office.

E. TECHNICAL PROPOSAL

(1) General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent audit of the Mascenic Regional School District SAU 87 in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm **and of the particular staff to be assigned to this engagement**. It should also specify an audit approach that will meet the request for proposals requirements.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in schedules provided with this request). The proposals should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements. While additional items may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

(2) Independence

The firm should provide an affirmative statement that it is independent of the Mascenic Regional School District SAU 87 as defined by generally accepted accounting standards and the U.S. Comptroller General's Government Auditing Standards.

The firm should also list and describe the firm's professional relationships involving the Mascenic Regional School District SAU 87 or any of its agencies for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

(3) License to Practice in New Hampshire

An affirmative statement should be included indicating that the firm and its municipal partner are qualified to practice in New Hampshire.

(4) Firm Qualifications and Experience

The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the staff to be so employed on a part-time basis.

The firm shall also provide information on the results of the firm's latest federal or state desk reviews or field reviews of its audits. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

The firm shall provide a copy of the firm's most recent peer review.

(5) Partner, Supervisory and Staff Qualifications and Experience

The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in New Hampshire. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written agreement of Mascenic Regional School District SAU 87. However, in either case, the Mascenic Regional School District SAU 87 retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposals can only be changed with the express prior written agreement of Mascenic Regional School District, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the firm provided that replacements have substantially the same or better qualifications or experience.

(6) Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five (5) years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

(7) Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in this request for proposal. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

(8) Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the Mascenic Regional School District SAU 87.

F. EVALUATION PROCEDURES

The Mascenic Regional School District SAU 87 shall evaluate the proposals on the basis of the qualifications, relevant experience and responsiveness of the bidders, as well as the staffing and estimated cost of the engagement. The District may wish to conduct oral interviews with the firms considered most qualified in order to help the District in the selection process.

G. ASSISTANCE BY THE DISTRICT

The Mascenic Regional School District SAU 87 financial staff shall render all reasonable assistance to the audit firm and shall respond promptly to requests for information, provide all necessary books and records, and provide physical facilities required by the firm for the expeditious conduct of the engagement. It is anticipated that the books and records for the District will be closed and ready for audit by August 30th of each year. The fieldwork for the successful bidder should be scheduled as soon as possible thereafter with a completion date no later than September 30th of each year, with delivery of draft reports no later than November 30th of each year, and delivery of the required number of final reports no later than December 31st of each year.

H. COMPENSATION

The firm's proposal must indicate the maximum total your firm will charge the District for each year of this proposal. The maximum fee must be broken down as indicated on the attached fee schedule for each year.

The final payment for any audit shall become due only after submission of all reports required by this document and their acceptance by the District and/or federal and state grantor agencies.

Should the firm encounter circumstances requiring an increase in the extent of detailed investigation, or should the District require an increase in the scope of the audit, written notice to that effect must be given to the other party.

The engagement may then be modified by mutual agreement as to additional work and compensation.

I. TERMINATION OF THE AUDIT

If the audit firm fails to substantially comply with the specifications set herein, the Mascenic Regional School District SAU 87 reserves the right to terminate the engagement after completion of any audit year upon written notice to the firm.

If the legislative or governing body rejects funding for an independent audit during the term of the agreement, the District reserves the right to terminate the remaining years of the agreement upon written notice to the firm.

J. INSURANCE

The audit firm shall procure and maintain for the duration of the contract, general liability and professional liability insurance with minimum limits of One Million Dollars (\$1,000,000) each, naming the Mascenic Regional School District SAU 87 as an additional insured. Proof of workers' compensation insurance must also be provided.

K. SUBMITTAL INFORMATION

Proposals, including completed copies of the attached proposer guarantees and warranties on page 9 as well as the attached fee schedules beginning on page 10, must be SEALED and marked "RFP - AUDIT PROPOSAL" and received no later than Thursday, January 10, 2019 at 2:00 PM EST. All submittals shall be addressed to Mascenic Regional School District SAU 87, 16 School Street, Greenville, NH 03048. Any inquiries should be directed to Lizabeth Baker, Business Administrator, via email at lbaker@mascenic.org.

PROPOSER GUARANTEES AND WARRANTIES

Proposer Guarantees

The proposer certifies that it can and will provide and make available, at a minimum, all services set forth in this request for proposals.

Proposer Warranties

1. The proposer warrants that it is willing and able to obtain general liability and professional liability insurance with minimum limits of One Million Dollars (\$1,000,000) each, naming the Mascenic Regional School District SAU 87 as an additional insured. Proof of workers' compensation insurance must also be provided.
2. The proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Mascenic Regional School District SAU 87.
3. The proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

MASCENIC REGIONAL SCHOOL DISTRICT SAU 87
Request for Proposals
Financial Audit

Schedule of Professional Fees and Expenses
For the Audit of the **FY2019** Financial Statements
Supporting Schedule for Performance of Financial Audit

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Partners				
Managers				
Supervisory Staff				
Staff				
Other (Specify)				
Subtotal				
Out of Pocket Expenses:				
Meals and Lodging				
Transportation				
Printing				
Other (Specify)				
Total NOT-TO-EXCEED Price for Performance of Financial Audit for FY2019 :				

MASCENIC REGIONAL SCHOOL DISTRICT SAU 87
Request for Proposals
Financial Audit

Schedule of Professional Fees and Expenses
For the Audit of the **FY2020** Financial Statements
Supporting Schedule for Performance of Financial Audit

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Partners				
Managers				
Supervisory Staff				
Staff				
Other (Specify)				
Subtotal				
Out of Pocket Expenses:				
Meals and Lodging				
Transportation				
Printing				
Other (Specify)				
Total NOT-TO-EXCEED Price for Performance of Financial Audit for FY2020 :				

MASCENIC REGIONAL SCHOOL DISTRICT SAU 87
Request for Proposals
Financial Audit

Schedule of Professional Fees and Expenses
For the Audit of the **FY2021** Financial Statements
Supporting Schedule for Performance of Financial Audit

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Partners				
Managers				
Supervisory Staff				
Staff				
Other (Specify)				
Subtotal				
Out of Pocket Expenses:				
Meals and Lodging				
Transportation				
Printing				
Other (Specify)				
Total NOT-TO-EXCEED Price for Performance of Financial Audit for FY2021 :				

MASCENIC REGIONAL SCHOOL DISTRICT SAU 87
Request for Proposals
Financial Audit

Schedule of Professional Fees and Expenses
For the Audit of the **FY2022** Financial Statements
Supporting Schedule for Performance of Financial Audit

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Partners				
Managers				
Supervisory Staff				
Staff				
Other (Specify)				
Subtotal				
Out of Pocket Expenses:				
Meals and Lodging				
Transportation				
Printing				
Other (Specify)				
Total NOT-TO-EXCEED Price for Performance of Financial Audit for FY2022 :				

MASCENIC REGIONAL SCHOOL DISTRICT SAU 87
Request for Proposals
Financial Audit

Schedule of Professional Fees and Expenses
For the Audit of the **FY2023** Financial Statements
Supporting Schedule for Performance of Financial Audit

	Hours	Standard Hourly Rate	Quoted Hourly Rate	Total
Partners				
Managers				
Supervisory Staff				
Staff				
Other (Specify)				
Subtotal				
Out of Pocket Expenses:				
Meals and Lodging				
Transportation				
Printing				
Other (Specify)				
Total NOT-TO-EXCEED Price for Performance of Financial Audit for FY2023 :				

MASCENIC REGIONAL SCHOOL DISTRICT SAU 87

**Summary Schedule of Professional Fees and Expenses
For the Audit of Financial Statements**

	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Audit						

The undersigned proposes to provide the Mascenic Regional School District SAU 87 with an independent audit of its financial accounts and records, as outlined in the accompanying specifications and that I will accept as full payment thereof, the sums indicated on this schedule.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____